



MAURITIUS AND THE LOME CONVENTION

CONTENTS

Mauritius: the political and economic situation	4
An ambitious plan for 1975 — 1980	4
An economy dependent on sugar: EEC offers guarantees	5
Other agricultural production	6
Industry: a policy of economic diversification	6
Tourism: the second most important foreign exchange earner	7
Trade	7
Aid adjusted to the Country's requirements	9



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MAURITIUS AND THE LOME CONVENTION

Mauritius has long standing links with the European Community. In May 1972, Mauritius became the 19th member of the Association of African and Malagasy States, thereby linking itself to the EEC under the provisions of the Yaounde II Convention. Mauritius was the only ex-British colony to join this agreement.

In February 1975, Mauritius was one of the 46 African, Caribbean and Pacific States to sign the ACP/EEC Convention of Lome, thereby demonstrating Mauritian interest in maintaining their historical links with the Community.

The Lome Convention is much wider in scope than the previous Yaounde arrangements and so offers greater benefits to Mauritius. In the trade field, the Convention offers duty free access into the Community markets for nearly all ACP products. Provision is also made to finance trade promotion schemes to enable the ACP to gain a better share of the markets and also encourage consumer interest in new products. In the previous Yaounde Conventions customs advantages were granted to imports of goods from the European Community. Under the Lome Convention this system was abolished, which means that the ACP again save in relation to customs receipts. Another major advantage which the Lome Convention offers over and above those of the previous Yaounde Conventions relates to reciprocity. Under the latter agreements, trade advantages were reciprocal. When it came to the Lome Convention negotiations, some of the Member States of the European Community and most of the English speaking African States pointed out that reciprocity was no longer justified. They called into question the EEC's previous stand that reciprocity maintained the contractual character of the agreement. In the early 1970's discussions in many international bodies again reiterated that it was no longer valid to demand reciprocity in trade advantages from developing countries. So this was also abolished under the Lome Convention.

The Lome Convention also contains two entirely new provisions which are both beneficial to Mauritius. This agreement contains a special sugar protocol which guarantees access to the Community markets for 1.3 million metric tons of ACP sugar. Each of the ACP producers has been allocated a quota and they are allowed to export this amount to the EEC every year. The Community also offers a guaranteed minimum price for these sugar imports which again offers a certain amount of stability to the ACP. The second important innovation included in the Lome Convention relates to industrial cooperation. The African, Caribbean and Pacific States requested early on in the Lome negotiations that a special chapter be set aside in this agreement for the industrial development of the ACP, the Community agreed to make special provisions in this sector. Provision is also made to encourage the participation of nationals of the ACP States in the development of small and medium sized firms. Provisions in this respect can be of particular benefit to Mauritius which already has a number of small firms operating on the island.

In term of aid, the Lome Convention has also been more beneficial to Mauritius than the previous Yaounde II Convention. Under the latter Mauritius received 5 million units of account; this was because Mauritius joined the Convention late. Under the Lome Convention Mauritius is scheduled to receive over 15.3 million units of account from the European Development Fund, representing a substantial increase in funds.

Mauritius : the political and economic situation

Mauritius is situated in the south west of the Indian Ocean, about 800 kms east of Madagascar. Mauritius covers an area of 1,960 sq kms and has a population of 908,180 about 290,000 of which constitute the active population. The Dutch established the first settlement on the island in 1683 and introduced sugar plantations but left shortly afterwards. In the 18th century the French arrived and really developed the sugar industry which is still the mainstay of the island's economy. In 1814 Mauritius was ceded to the British who ruled the island until independence in 1968. Sir Seewoosagur Ramgoolam, leader of the labour Party, has been head of government since 1961.

The mainstay of the economy is still sugar. About 82 % the land area is cultivated and about 48 % of this surface is down to sugar production. While economic growth in the 1960's was very slow, industrialisation picked up in the years 1970-1976, and the tourist industry also became of increasing importance. Apart from sugar the other main crops are tea and tobacco, although the latter is not exported. A wide variety of other fruits are also grown as well as aloe fibres used to produce sacks. Several foreign firms have also set up operations on the island and produce clothing, toys and electrical goods. Mauritius offers tax benefits to firms which set up operations in the free zones. Nevertheless sugar is still the mainstay of the economy, accounting for about 80 % of export earnings, 40 % of gross domestic product and employing about 30 % of the labour force.

Soaring sugar prices in the mid 1970's gave a substantial boost to the Mauritian economy. Gross National Product rose from 840 million Rupees (about 114 million units of account) in 1968 to 3,700 million Rupees (about 501 million units of account) by 1977. Nevertheless imports over the same period escalated turning a balance of payments surplus of 45 million ua in 1974/75, into a balance of payments of 40 million ua in 1977.

An ambitious plan for 1975 - 1980

The Mauritian Government has set itself an ambitious development strategy for the period 1975-1980. Under the new development plan the government has set itself an expenditure programme of 3,865 million Rupees (about 522 million ua). By comparison the 1971-1975 development plan, had an expenditure of 660 million Rupees (about 89 million ua).

During the life of the plan, the government hopes to attain full employment by 1980, particularly through the development of the industrial sector. The plan also aims at agricultural diversification and at increasing the exploitation of sub-marginal lands through irrigation schemes. Thirdly the plan aims at adapting education and training to meet the specific requirements of the economy. Finally the government is anxious during this period to improve the public sector infrastructure particularly water supplies, sewerage, roads and electricity. Of the total investment, agriculture, forestry and fisheries are allocated 14,6 %; housing and the generation of electricity 8.5 %; manufacturing and the new airport 7.8 %; rural development and water 7.2 % each, and education 6.5 %. About one third of the required investment is expected to be financed by loans from abroad.

In order to achieve the aim of full employment by 1980, the government will have to create 126,000 new jobs. Most of these new jobs will be provided by the intended expansion in the tourist and export orientated manufacturing industries. During the 1971-75 plan, the government aimed at creating 50,000 new jobs. By early 1978 a total of 56,000 new jobs had been created.

An economy dependent on sugar : EEC offers guarantees

Sugar is the mainstay of the Mauritian economy. Plantations cover 86,500 hectares of land, almost half the total cultivated area of the country. Representing 40 % of gross domestic product, accounting for about 80 % of export earnings and employing about 30 % of the active labour force, the sugar industry is clearly of vital importance to the economy. In 1977 production stood at 665,435 tons compared with 689,932 tons in 1976 but well below the record levels of 718,464 tons in 1973.

The sugar industry in Mauritius is nevertheless facing some difficult problems. The very economic viability of the industry is being brought into question due to rising production costs (due to the steep rise in the cost of fertilisers and machinery), high labour costs (wages have been rising nationally at about 30 % per year since 1972), absenteeism and low productivity. In 1977 the sugar industry in fact made a loss of 43 million Rupees (about 5.8 million units of account).

Faced with these problems, the guarantees offered under the terms of the Lome Convention have been an asset for Mauritius. Under the sugar protocol attached to this agreement, Mauritius is allowed to export 487,200 metric tons of white sugar to the Community every year. Mauritius like the other ACP States receives a guaranteed price for sugar exports to the EEC. This price related to the price paid to European producers is negotiated every year between representatives of the EEC and ACP States. Given the fluctuating nature of the world sugar market, the guarantees of both access to the Community markets and a guaranteed price under the sugar protocol are undoubtedly a major advantage for the Mauritian economy. Over the last few years the Community's guaranteed price has been well above the world free market price for sugar.

Mauritius exports about 75 % of its total sugar exports to the United Kingdom. The rest is marketed mainly in the United States and Canada under freely negotiated contracts.

About 60 % of the sugar crop is grown on large estates, one of which is owned by the government and 19 by public companies. The remaining 40 % of the production is grown on private land by both large and smallholders. It is for the latter which the Lome Convention provisions are of greatest benefit. These sugar planters are now assured of a market for all their annual crop and moreover at a guaranteed price. In practical terms they can now go to the bank and get credit because the bank manager also knows that the money will come in. The sugar protocol has managed to rid the sugar industry of many of the if's and but's which are so hazardous when it comes to the international sugar market.

The sugar protocol : guaranteed prices compared with world prices

(raw sugar - EUA/100kgs)

	<u>Average world prices</u> (London)	<u>Guaranteed Lome prices</u>
1972 - 73	17.53	
1973 - 74	33.53	
1974 - 75	57.36	
1975 - 76	27.39	25.53
1976 - 77	16.90	26.70
1977 - 78		
average July-December	13.26	27.25
average April-May	12.20	
1978 - 79		27.81

Other agricultural production

Compared with sugar all other agricultural production is insignificant in respect of the export market. Tea is grown in the humid highlands which are unsuitable for the production of sugar. About 13,000 hectares of land are down to tea cultivation, most of which are in the hands of smallholders. At present tea production stands at about 4,000 tons per year but exports are still insignificant, representing 1.6 % of total exports.

Tobacco is the other main cash crop although about 9/10 of the production is consumed locally. In 1976 production stood at about 900 metric tons. Mauritius also produces aloe fibres on an industrial scale. These are used in the production of sacks for the package of sugar.

Mauritius is also trying to step up production of other agricultural produce. Maiz, rice and groundnuts are now being experimentally intercropped with sugar. Nevertheless rice production cannot keep pace of demand. The lack of irrigated land means that only 2 % of the rice demand can be met locally, the rest has to be imported (about 65,000 tons per year).

The fishing industry is also fairly insignificant. Mauritian boats catch about 2,000 tons a year, while Japanese, South Korean and Taiwanese boats catch about 15,000 tons year in Mauritian waters, most of which is tuna.

Industry : a policy of economic diversification

Ten years ago the manufacturing industry in Mauritius was non existant. Today it represents over 29 % of gross domestic product and employs about 15 % of the active population. The governments plan to attain full employment by 1980, has led it to implement a number of industrial incentives to encourage the establishment of new industry. In the 1960's the government brought in the "Development Certificate" in order to encourage the development of import substitution industries. In December 1970 the government went a step further and brought in the concept of Export Processing Zones to promote the establishment of export orientated industries. These zones concentrate on labour intensive industries. Within these zones the government offers local and foreign investors a number of advantages: tax incentives, exemption from import duties on imports of most

raw materials, free repatriation of profits and capital etc. By the spring of 1977, there were already 85 firms operating in the zones, half of which were totally locally owned, the rest having French, British, Indian or Pakistani participation. The fastest growing industries have been textiles and clothing, electronic components, diamonds and precision instruments.

Under the terms of the Lome Convention, Mauritius can export industrial goods free of customs duties to the European Community. This applies for all industrial goods so long as the rules of origin requirements can be fulfilled.

Tourism : the second most important foreign exchange earner

Tourism is now the second most important foreign exchange earner. Tourist arrivals have risen at a spectacular pace from 27,650 in 1970 to 102,000 in 1977. The government hopes that Mauritius popularity will increase so that 200,000 tourists will visit the island by 1985. At present there are 37 hotels on the island with 3,688 beds. To date most of the tourist industry requirements have been financed by local capital. While net receipts from the tourist industry reached 210 million Rupees, about 28 million ua) in 1977, the tourist industry does lead to the need to import more luxury goods which in turn puts up the import bill.

Trade

The United Kingdom is still the country's most important trade partner, taking about 69 % of its total exports (due to sugar) and supplying over 16 % of its imports. The second most important trade partner is France which takes about 9 % of total exports and supplies about 10 % of the imports. Mauritius also has fairly important trade links with the United States, South Africa and Iran (petroleum).

Apart from a short breathing space in 1974, Mauritius has had a persistent balance of trade deficit, amounting to 628 million Rupees in 1976 (about 84 million ua), and expected to reach 850 million in 1977 (about 114 million ua).

The evolution of the balance of trade is given in the table below

<u>Mauritian external trade in millions Rupees</u>			
<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Trade balance</u>
1973	915.8	748.3	- 167.5
1974	1,759.8	1,786.4	+ 26.6
1975	1,995.3	1,838.9	- 156.4
1976	2,397.9	1,769.7	- 628.2
1977	2,800.0	1,950.0	- 850.0 estimates

Sugar of course dominates the export table. In 1976 sugar exports reached 1,321 million Rupees followed much lower down the scale by textiles which brought in 204 million Rupees.

In terms of imports, the most costly items are manufactured products and machinery followed by food and live animals. Details of the imports and exports are given on the following pages.

Trade between the EEC and Mauritius has increased substantially since 1972 when the island first forged contractual relations with the European Community. The performance has been as follows:

(in 1,000 EUA) Flow	1972	1973	1974	1975	1976	1977
EEC imports from Mauritius	63,419	63,021	106,898	207,649	193,186	213,758
EEC exports to Mauritius	32,898	44,919	77,451	83,903	99,345	116,017

In 1977 the United Kingdom was still the most important trade partner of the EEC Member States as the following table shows:

	Germany	France	Italy	Nether- lands	Belgium/ Luxembg	UK	Ireland	Denmark
EEC imports Mauritius	8,615	25,339	2,256	5,344	7,626	162,193	1,903	482
EEC total imports : 213,758								
EEC exports to Mauritius	13,361	35,218	4,318	5,099	4,086	52,601	186	1,148
EEC total exports : 116,017								

Imports during the period 1973-1976 (in million Rupees)

	1973	1974	1975	1976
Food and live animals	217.8	500	459.8	485.7
Drinks and tobacco	9.3	13.4	16.6	19
Non combustible raw materials except motor fuels	14.2	39.3	48.6	63.9
Combustible mineral lubricants and related products	63.6	161.5	194.4	209.1
Oils of animal or vegetable origin	23.1	70.7	51.8	71.2
Chemical products	81.4	154.8	180.3	167.6
Manufactured articles	222.4	417	468.1	632.1
Machinery and transport materials	225.1	313.5	441.4	580.2
Other manufactured articles	58.5	84.6	126.7	160.3
Others	0.4	5	7.6	8.7
Total	915.8	1,759.8	1,995.3	2,397.9

Source : SITC Nomenclature

Exports during the period 1973-1976 (in million Rupees)

	1973	1974	1975	1976
Sugar	608.1	1,537.8	1,548.8	1,321.5
Molasses	40.3	45	23.6	31.7
Tea	18.9	19.7	16	29.2
Fish	8	14.6	14.3	18.8
Ginger	0.9	1.7	1	1.1
Cattle feed	0.9	2	2.4	1.6
Worked diamonds & synthetic stones	19.7	22.6	9.3	8.4
Electronic components	5.3	48.6	62.1	61.6
Textiles	20.6	60.8	118.1	204.8
Other manufactured products	7.4	11.1	13.2	37.1
Others	6.7	7.1	9.1	20.5
Re-exports	11.6	15.4	20.9	33.4
Total	748.3	1,786.4	1,838.9	1,769.7

Source : SITC Nomenclature

Since the Lome Convention came into operation, only two trade problems have arisen. These related to imports into the Community of certain textile products and tuna fish from Mauritius. In both cases these products could not meet the rules of origin requirements of the Lome Convention. Following consultations between both sides, the ACP/EEC Council of Ministers agreed to a derogation from the rules of origin in respect of both products.

The first derogation allowed for the rules of origin to be swayed in respect of the import into the Community of 400 tonnes of unbleached fabric between 25 November 1977 and 31 August 1978. The second derogation from the rules of origin covered the import of 1,600 tonnes of preserved tuna fish into the Community between 25 November 1977 to 24 November 1978. This derogation was extended again for 1,600 tonnes for the period 25 November 1978 to 24 November 1979. This should give the Mauritians enough time to solve their problem relating to the origin of raw materials.

AID ADJUSTED TO THE COUNTRY'S REQUIREMENTS

Mauritius forged its first contractual links with the European Community in May 1972, when it became a member of the Yaounde II Convention.

Under the Yaounde II Convention, Mauritius received 5 million units of account in aid from the European Development Fund. The aid was used to finance essentially three projects. A total of 1.26 million ua was used to finance extensions to the University. A further 3.26 million ua was used to finance the construction of two secondary schools at Rose Belle and Ebene. Construction of these schools is still underway and should be completed by June 1979. The balance of the aid was used to finance a study of the economic viability of irrigating the western coastal region.

Under the terms of the Lome Convention, Mauritius is scheduled to receive 15.3 million units of account from the European Development, over three times the amount it received under the previous agreement. In addition to the EDF allocation, the European Investment Bank will consider projects up to 10 million ua. The EIB contribution towards industrial projects will be given in the form of loans from its own resources and/or in the form of risk capital operations.

Lome aid : drawing up the indicative aid programme

In May 1976 a programming mission, composed of officials of the European Commission and European Investment Bank visited Port Louis for talks with the Mauritian Government. The aim of this mission was to draw up an "indicative aid programme". In other words to compile a list of projects which could be considered for financing under the terms of the Lome Convention. This list of projects is deliberately called an "indicative aid programme" as both sides wanted to maintain a certain amount of flexibility. When these procedures were agreed, both the ACP and EEC felt it important to allow for alterations to be made to the programme. It was pointed out that in one or two years time an ACP government might want to readjust the programme to take account of new developments or occurrences. So flexibility is the key to the early stages of distributing financial aid.

Under the terms of the Lome Convention, Mauritius is scheduled to receive 15.3 million units of account from the European Development Fund. In 1976 it was pointed out that while the method of financing would be worked out during the appraisal of each project, it was generally expected that a large part of the aid would be given in the form of loans under special conditions. This was because the Mauritius economy was at that time in a relatively buoyant condition.

Distributing the aid

Following discussions in May 1976, the EEC mission and the Government of Mauritius drew up the indicative aid programme. It was agreed that about 37 % of the total EDF allocation should go towards supporting road infrastructure, 32 % in support of agriculture, 21 % in support of the social programme, 4.5 % for education and 4.5 % for industrial and trade promotion. Most of the investments in the industrial sector will be made with EIB assistance.

Assistance in the transport sector goes exclusively in support of the building of a new dual carriageway road from Port Louis to Mapou. This project receives 37 % of the total EDF aid allocation.

The agricultural sector receives an equally important slice of the aid package (32.6 %). The Mauritian economy is still heavily dependent on exports of sugar and so the Government is anxious to diversify agricultural production. EDF assistance will be geared towards making more efficient use of irrigation methods and thus better use can be made of the land. In this respect, the indicative aid programme retained the Western Coastal Region Irrigated Scheme as a project to be supported in the agricultural sector. A study of the scheme was financed under the third European Development Fund. The project involves carrying out the first phase of a scheme to irrigate 3,700 acres (about 1,500 hectares) near Port Louis, west of the Grand River North West. This is high potential arable land. The aim of the project is to install a pressurised overhead irrigation system which will enable yields to be increased and subsequently lead to an increase in farmers incomes.

About 21 % of the total EDF aid package goes to help finance the emergency housing reconstruction programmes. This vast scheme was set up to rebuild houses damaged by the cyclone which hit the island in 1975. The total cost of the programme is expected to reach something in the order of 31 million ua. The indicative aid programme provisionally set aside 3.2 million ua to assist the scheme.

Mauritius already receives a substantial amount of bilateral assistance for training and scholarships. As a result only 4.5 % of the indicative aid programme was allocated for this purpose. The EDF will finance the training of middle grade technicians, administrative staff and technicians in the industrial field.

Another 4.5 % of the total EDF allocation goes to finance trade, industrial promotion and handicraft promotion activities.

Implementation so far

The European Commission has already approved the release of financial assistance to cover the cost of constructing a road from Port Louis (Terre Rouge) to Mapou over a distance of 10 kms. The aid has been given in the form of a special loan of 4.6 million ua and a grant of 1.1 million ua. The proposed road is designed as a dual carriageway and it constitutes an important link between the capital Port Louis, and the north eastern part of the island, where most of the country's sugar is produced. On average this amounts to 283,000 tons a year, approximately 40 % of the country's total exports of sugar. This is also a fairly densely populated part of the country : about 15 % of the total population live in this region. As a result of these social factors, it is clear that the Port Louis - Mapou road is an important route and this is why a dual carriageway is being built in order to keep pace of demand. The road itself is 10.3 kms long. Should the new air-port be constructed to the east of Mapou, the road may be extended by a further 13 kms to meet the new requirements.

The European Commission has also approved a grant of 700,000 ua to finance a trade and industrial promotion programme. This involves providing information and forging contacts with European promoters to encourage them to invest in the free zones in Mauritius. The free zones were set up in December 1970, under the Export Processing Zones Act. Firms investing in the zones benefit from such treatment as the right to repatriate capital and profits, customs duty exemptions for plant and supplies etc. The grant provided by the EDF will be used to continue promotional activities in France, set up a new programme in Germany and perhaps other Member States, depending on costs and also to set up a Promotion Centre in Mauritius.

The European Commission has also approved a grant of 700,000 ua to finance a multiannual training programme extending over the period 1976-1980. The aim is to help train management staff for the public sector. The aid will cover study grants for one year courses in Europe. Most of the courses are of medium rather than high level and are designed to increase the supply of skilled industrial staff. Other courses for health, agriculture and education are designed however for high level learning.

EIB assistance to Mauritius

As already indicated, the European Investment Bank will consider projects up to 10 million ua. When the programming mission went out to Mauritius in May 1976, the EIB officials indicated that the EIB would examine three priority projects which the Mauritian Government had brought to their attention. The first project concerns the second extension to the thermal power station at Fort Victoria. The EIB has already been involved in financing the first extension.

The second project concerns setting up a bleached bagasse pulp mill, likely to cost just over 18 million ua.

The third project concerns the construction of a shipyard likely to cost about 4 million ua.

The European Investment Bank has already approved a loan of 2 million ua to help improve electricity-supplies in Mauritius. The loan has been granted to the islands' Central Electricity Board, a state undertaking, for a period of 13 1/2 years. The loan carries an interest rate of 6 %, after taking into account a rebate of 3 % drawn from the resources of the European Development Fund, as provided for under the terms of the Lome Convention. The loan is being used to carry out further extensions to the largest thermal power station in Mauritius. The new project will raise the power station's generating capacity to 62.4 MW. This should enable the Central Electricity Board to keep pace of demand for some years to come.

The second loan from the EIB to Mauritius has gone to the Development Bank. The loan of 3 million ua will be used to finance small and medium scale industrial and tourism ventures. The Development Bank of Mauritius, together with the EIB will select the projects to benefit from the loan. The Development Bank of Mauritius was established in 1963 as a public body. A substantial increase in its activities is called for under the country's 1976-1980 development plan, which foresees the creation of 76,000 new jobs in five years, about two-thirds of which will be in industry and tourism.

Apart from the EIB, the World Bank, the African Development Bank and the French development agency Caisse Centrale de Cooperation Economique, have also provided assistance.

The EIB loan has been made available for 12 years at an interest rate of five and seven eights per cent, after deduction of a 3 % interest rebate drawn from the resources of the European Development Fund.

Exceptional aid under the Lome Convention.

Article 59 of the Lome Convention provides that "exceptional aid may be accorded to ACP States faced with serious difficulties resulting from natural disasters or comparable extraordinary circumstances". In 1975 Mauritius suffered exactly this type of problem. It was during that year that cyclone Gervaise struck the island. In 1976 the EEC came to the aid of Mauritius by allocating a grant 3 million ua in exceptional aid in order to help finance the reconstruction of housing destroyed by the cyclone. The cyclone badly damaged 28,000 houses and completely destroyed a further 7,000. The EEC aid was planned to build 700 new houses.

Regional cooperation in the Indian Ocean

One of the new features of the Lome Convention is the emphasis it places on the need to promote regional cooperation between the ACP States. A total sum of 300 million units of account has been set aside under the European Development Fund to finance regional cooperation schemes. According to the Lome Convention "regional projects are those which help directly to solve a development problem common to two or more countries through joint schemes or co-ordinated national schemes".

Mauritius, the Seychelles, Djibouti and the Comoro Islands put forward two regional projects which are of interest to all three states. The first project concerned the setting up of a regional shipping line. The EEC is financing a feasibility study into such a scheme.

The second project of interest to these three states has also been taken up by the Community. In the summer of 1978, the European Commission announced a list of projects which were under consideration for allocations of aid under the second installment of regional assistance. This project concerns improvements to the aeronautical telecommunications and navigational aids in the Africa-Indian Ocean region. A figure of 3 million ua has been earmarked to support this scheme. At present various countries in the area are unable to meet air telecommunications criteria laid down by the International Civil Aviation Organisation. The situation is particularly serious in the case of the Seychelles which cannot receive advance warning of the arrival of planes until they are virtually about to land. The project aims at providing high frequency telecommunications with the airports of Nairobi, Mogadishu and Plaisance. It also involves air traffic services and direct speech circuits.

Trade promotion

The promotion of trade is another feature of the Lome Convention, the importance of which is sometimes overlooked. The Irish Export Board has visited the island and is preparing a programme to set up an export centre likely to cost about 20,000 units of account.

Non Governmental Organisations

Outside the provisions of the Lome Convention the Community is cooperating with non governmental organisations (NGO). The Community is involved in co-financing three projects carried out by NGO's in Mauritius. In 1976/77 the Community contributed 184,300 ua towards these schemes. The NGO's concerned are the Deutsche Welthungerhilfe (Germany), Entraide et Fraternité (Belgium) and the Catholic Fund for Overseas Development (United Kingdom).

The Deutsche Welthungerhilfe was involved in an agricultural scheme aimed at providing material for the National Federation of Young Farmers in Mauritius. The scheme cost 68,101 ua and the Community provided 34,051 ua towards the project. The Entraide et Fraternité was carrying out a scheme to construct a kindergarten and train nurses to look after the children. The Community contributed 16,200 ua towards the cost of this project.

The Catholic Fund for Overseas Development is establishing a vocational training centre to promote local handicrafts and create jobs for young people in Quatre Bornes. The scheme will cost 100,000 ua.

Food aid

This is another activity carried out by the Community outside the framework of the Lome Convention. Between 1973 and 1977 the EEC sent out food aid equivalent to 7.3 million ua to Mauritius. The proceeds from flour sales are paid into a special fund (currently estimated at 6 million rupees) destined to finance housing improvement projects for the low income groups of the population.

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